



# House of Representatives

General Assembly

**File No. 100**

January Session, 2009

Substitute House Bill No. 6114

*House of Representatives, March 19, 2009*

The Committee on Insurance and Real Estate reported through REP. FONTANA, S. of the 87th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING DISCLOSURE OF AN HISTORIC DISTRICT  
DESIGNATION TO PROSPECTIVE PURCHASERS OF RESIDENTIAL  
PROPERTY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 20-327b of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 (a) Except as otherwise provided in this section, each person who  
4 offers residential property in the state for sale, exchange or for lease  
5 with option to buy, shall provide a written residential condition report  
6 to the prospective purchaser at any time prior to the prospective  
7 purchaser's execution of any binder, contract to purchase, option, or  
8 lease containing a purchase option. A photocopy, duplicate original,  
9 facsimile transmission [,] or other exact reproduction or duplicate of  
10 the written residential condition report containing the prospective  
11 purchaser's written receipt shall be attached to any written offer,  
12 binder or contract to purchase. A photocopy, duplicate original,

13 facsimile transmission or other exact reproduction or duplicate of the  
14 written residential condition report containing the signatures of both  
15 seller and purchaser, shall be attached to any agreement to purchase  
16 the property.

17 (b) The following shall be exempt from the provisions of this  
18 section: (1) Any transfer from one or more co-owners solely to one or  
19 more of the co-owners; (2) transfers made to the spouse, mother,  
20 father, brother, sister, child, grandparent or grandchild of the  
21 transferor where no consideration is paid; (3) transfers pursuant to an  
22 order of the court; (4) transfers of newly-constructed residential real  
23 property for which an implied warranty is provided under chapter  
24 827; (5) transfers made by executors, administrators, trustees or  
25 conservators; (6) transfers by the federal government, any political  
26 subdivision thereof or any corporation, institution or quasi-  
27 governmental agency chartered by the federal government; (7)  
28 transfers by deed in lieu of foreclosure; (8) transfers by the state of  
29 Connecticut or any political subdivision thereof; (9) transfers of  
30 property which was the subject of a contract or option entered into  
31 prior to January 1, 1996; and (10) any transfer of property acquired by  
32 a judgment of strict foreclosure or by foreclosure by sale or by a deed  
33 in lieu of foreclosure.

34 (c) The provisions of this section shall apply only to transfers by  
35 sale, exchange or lease with option to buy, of residential real property  
36 consisting of not less than one nor more than four dwelling units  
37 which shall include cooperatives and condominiums, and shall apply  
38 to all transfers, with or without the assistance of a licensed real estate  
39 broker or salesperson, as defined in section 20-311.

40 (d) (1) The Commissioner of Consumer Protection, shall, by  
41 regulations adopted in accordance with the provisions of chapter 54,  
42 prescribe the form of the written residential disclosure report required  
43 by this section and sections 20-327c to 20-327e, inclusive. The  
44 regulations shall provide that the form include information concerning  
45 municipal assessments, including, but not limited to, sewer or water

46 charges applicable to the property. Such information shall include: (A)  
 47 Whether such assessment is in effect and the amount of the  
 48 assessment; (B) whether there is an assessment on the property that  
 49 has not been paid, and if so, the amount of the unpaid assessment; and  
 50 (C) to the extent of the seller's knowledge, whether there is reason to  
 51 believe that the municipality may impose an assessment in the future.

52 (2) The regulations shall also provide that the form include the  
 53 following statement in conspicuous type: "If this form indicates this  
 54 property is located in a municipally-designated historic district or  
 55 municipally-designated historic village or is a municipally-designated  
 56 historic property, you may contact the town clerk for additional  
 57 information on specific compliance requirements pertaining to such  
 58 property."

59 [(2)] (3) Such form of the written residential disclosure report shall  
 60 contain the following:

61 (A) A certification by the seller in the following form:

62 "To the extent of the seller's knowledge as a property owner, the  
 63 seller acknowledges that the information contained above is true and  
 64 accurate for those areas of the property listed. In the event a real estate  
 65 broker or salesperson is utilized, the seller authorizes the brokers or  
 66 salespersons to provide the above information to prospective buyers,  
 67 selling agents or buyers' agents.

T1 .... (Date) .... (Seller)

T2 .... (Date) .... (Seller)"

68 (B) A certification by the buyer in the following form:

69 "The buyer is urged to carefully inspect the property and, if desired,  
 70 to have the property inspected by an expert. The buyer understands  
 71 that there are areas of the property for which the seller has no  
 72 knowledge and that this disclosure statement does not encompass  
 73 those areas. The buyer also acknowledges that the buyer has read and

74 received a signed copy of this statement from the seller or seller's  
75 agent.

T3 .... (Date) .... (Seller)

T4 .... (Date) .... (Seller)"

76 (C) A statement concerning the responsibility of real estate brokers  
77 in the following form:

78 "This report in no way relieves a real estate broker of the broker's  
79 obligation under the provisions of section 20-328-5a of the Regulations  
80 of Connecticut State Agencies to disclose any material facts. Failure to  
81 do so could result in punitive action taken against the broker, such as  
82 fines, suspension or revocation of license."

83 (D) A statement that any representations made by the seller on the  
84 written residential disclosure report shall not constitute a warranty to  
85 the buyer.

86 (E) A statement that the written residential disclosure report is not a  
87 substitute for inspections, tests and other methods of determining the  
88 physical condition of property.

89 (F) Information concerning environmental matters such as lead,  
90 radon, subsurface sewage disposal, flood hazards and, if the residence  
91 is or will be served by well water, as defined in section 21a-150, the  
92 results of any water test performed for volatile organic compounds  
93 and such other topics as the Commissioner of Consumer Protection  
94 may determine would be of interest to a buyer.

95 (G) A statement that information concerning the residence address  
96 of a person convicted of a crime may be available from law  
97 enforcement agencies or the Department of Public Safety and that the  
98 Department of Public Safety maintains a site on the Internet listing  
99 information about the residence address of persons required to register  
100 under section 54-251, 54-252, 54-253 or 54-254, who have so registered.

101 (e) On or after January 1, 1996, the Commissioner of Consumer

102 Protection shall make available the residential disclosure report  
103 prescribed in accordance with the provisions of this section and  
104 sections 20-327c to 20-327e, inclusive, to the Division of Real Estate, all  
105 municipal town clerks, the Connecticut Association of Realtors, Inc.,  
106 and any other person or institution that the commissioner believes  
107 would aid in the dissemination and distribution of such form. The  
108 commissioner shall also cause information concerning such form and  
109 the completion of such form to be disseminated in a manner best  
110 calculated, in the commissioner's judgment, to reach members of the  
111 public, attorneys and real estate licensees.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2009</i>	20-327b
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**INS***Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note******State Impact:*** None***Municipal Impact:*** None

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**OLR Bill Analysis****sHB 6114*****AN ACT CONCERNING DISCLOSURE OF AN HISTORIC DISTRICT DESIGNATION TO PROSPECTIVE PURCHASERS OF RESIDENTIAL PROPERTY.*****SUMMARY:**

This bill requires the written residential condition report used in residential real estate transactions, which the Department of Consumer Protection prescribes through regulation, to include the following statement in conspicuous type:

“If this form indicates this property is located in a municipally-designated historic district or municipally-designated historic village or is a municipally-designated historic property, you may contact the town clerk for additional information on specific compliance requirements pertaining to such property. ”

EFFECTIVE DATE: October 1, 2009

**BACKGROUND*****Written Residential Condition Report***

In a residential real estate transaction (i.e., sale, exchange, or lease with option to buy), state law requires a real estate seller to give prospective purchasers a residential condition report before the binder or contract is executed. The report discloses information about the property and environmental matters, such as lead and radon (CGS § 20-327b).

***Related Bill***

The General Law Committee favorably reported HB 5400, which requires the residential condition report to include a statement listing

all leased appliances and items on the premises, including propane tanks and security system hardware.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea    19    Nay   0    (03/03/2009)